in India which is not so because the export proceeds from Nepal are not realized in convertible currency, a pre-condition for eligibility for duty draw back. They were therefore unable to fulfil their actual obligation. On account of non supply, Nepal Food Corporation have invoked the performance guarantee given by the Mysore Sugar Company. The Indian company has challenged it in the court of law in Nepal.

There is no involvement of Government of India in the above said contract and they are not required to give any performance guarantee

Cost of production of Tea

2396. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Tea Industry is facing crisis situation with price falling steeply during the recent years;

(b) the price of tea in 1998 and its price at present;

(c) whether cost of production has gone up during these years; and

(d) the steps being taken to bring about improvement in the situation?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) and (b) Yes, Sir. The tea industry in the country is facing crisis situation due to falling price in recent years. The average prices of tea in India registered a decline during the year 1999, 2000, 2001 and the current year so far over 1998. During 1999 the decline in price was due to substantial set back in prices of tea in South India but the North Indian tea prices were at a comfortable position over 1998. During 2000 and 2001 the prices of tea both at North and South India have registered a decline over 1998. The details are given below:

Region-wise prices of tea in India

(Rs./Kg.)

Year	North India	South India	All India	(+)or(−) over 1998 (in %)
1998	80.22	68.78	76.43	—
1999	80.57	57.10	72.79	(-) 4.76
2000	70.36	44.64	61.71	(-) 19.26
2001	69.66	45.87	61.25	(-) 19.86
2002(Jan.-Feb.)	52.25	41.01	48.86	(-) 46.03
1998(Jan.-Feb.)	94.05	84.45	90.54	—

(c) and (d) Yes, Sir. The cost of production of tea in India has gone up due to increase in labour cost and other input costs. In order to bring about improvement in the situation and promote the Indian tea the Govt./Tea Board have taken the following steps.

The basic customs duty on import of tea has been increased from 70% to 100% as announced in the Budget of 2002-2003.

Excise duty on tea has been reduced from Rs. 2 per Kg. to Rs. 1 per Kg. in the Budget 2002-2003.

The allowance under the Section 33 AB of Income Tax Act has been increased from 20% to 40% in the Budget 2001-02.

Tea Board has also prepared a medium term export strategy on tea for the next five years by engaging a consultant M/s. Accenture.

A factory upgradation Scheme has been introduced by the Tea Board to encourage production of good quality orthodox and non reconditioned CTC teas in the country.

A Scheme for providing financial incentive to the exporters for

meeting part of cost of handling, packaging, transport/freight charges has also been introduced by the Government.

A Quality Upgradation Programme has been launched by the Tea Board for improving quality of tea manufactured by small growers in the country.

Tea Marketing (Control) Order 1984 has been modified to remove the condition of obligatory sale of 75% of tea production through public tea auctions. The producers of tea are now free to sell any quantity of tea through public tea auctions.

The sale of tea in the Domestic Tariff Area by 100% Export Oriented Units (EOUs) and units in Export Processing Zones (EPZs) has been banned.

A Generic promotion campaign has been launched for improving the consumption of tea within the country.

Bilateral Trade Agreements

2397. SHRI AIMADUDDIN AHMED KHAN (DURRU): Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the countries with which India has bilateral Trade Agreements;

(b) the broad features of these Agreements; and

(c) the proposals for the near future in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) India has bilateral Trade Agreements with Angola, Algeria, Australia, Austria, Argentina, Brazil, Burkina Faso, Botswana, Bahrain, Bangladesh, Bhutan, Cameroon, China; Cuba, Colombia, Cyprus, DPR Korea, Democratic Republic of Congo (Zaire), Ethiopia, Egypt, European Community, Ghana, Guatemala, Iraq, Iran, Israel, Ivory Coast, Indonesia, Japan, Jordan, Kenya, Kuwait, Liberia, Libya, Lao PDR, Mozambique, Mongolia, Mauritius, Malaysia, Myanmar, Morocco, Maldives, Nigeria, Namibia, New Zealand, Nepal, Oman, Peru Portugal, Philippines, Republic of Korea, Rwanda, Senegal, South Africa, Seychelles, Syria, Sudan, Saudi Arabia, Sri Lanka, Spain, Tanzania, Trinidad and Tobago,